

**STRATFORD
COMMUNITY SCHOOL DISTRICT**

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Officials	1
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Assets	A 13
Statement of Activities	B 14-15
Governmental Fund Financial Statements:	
Balance Sheet	C 16
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	D 17
Statement of Revenues, Expenditures and Changes in Fund Balances	E 18-19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F 20
Proprietary Fund Financial Statements:	
Statement of Net Assets	G 21
Statement of Revenues, Expenses and Changes in Fund Net Assets	H 22
Statement of Cash Flows	I 23
Notes to Financial Statements	24-32
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund	33
Note to Required Supplementary Information - Budgetary Reporting	34
Schedule of Funding Progress for the Retiree Health Plan	35
Other Supplementary Information:	<u>Schedule</u>
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	1 36
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	2 37
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	38-39
Schedule of Findings	40-42

STRATFORD COMMUNITY SCHOOL DISTRICT

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
(Before September 2009 Election)		
Nicole McFarland	President	2009
Eric McGlynn		2011
Julie Patterson		2009
Lee Gripp		2009
April Carlson		2011

(After September 2009 Election)		
Julie Patterson	President	2013
April Carlson		2011
Toni Larson		2013
Vance Cook		2013
Eric McGlynn		2011

School Officials

Sarah Binder	Superintendent
Linda Swedlund	District Secretary/ Treasurer

BRUCE D. FRINK

Certified Public Accountant

Independent Auditor's Report

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

To The Board of Education of
Stratford Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of Stratford Community School District, Stratford, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

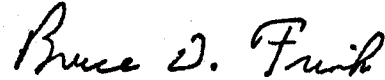
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities and each major fund of Stratford Community School District at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 17, 2011 on our consideration of Stratford Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 12 and 33 through 35 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stratford Community School District's basic financial statements. We previously audited in accordance with the standards referred to in the second paragraph of this report, the financial statements for the six years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 2, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



BRUCE D. FRINK
Certified Public Accountant

February 17, 2011

STRATFORD COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

Stratford Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2010 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$2,026,400 in fiscal 2009 to \$1,870,122 in fiscal 2010 (8% decrease), while General Fund expenditures decreased from \$2,024,959 in fiscal 2009 to \$1,993,438 in fiscal 2010 (a 2% decrease).
- General Fund local tax revenues decreased slightly. State funding decreased by over \$190,000, this was only partially offset by an increase in federal funding. The decrease in expenditures was due primarily to decreases in all areas. The General Fund balance decreased by over \$123,000 (17% decrease).
- The District's Day Care Fund continues to receive contributions which have helped keep the fund in a positive financial position.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Stratford Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Stratford Community School District operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Stratford Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the Student Activity Fund as well as multiyear comparison of revenues and expenses.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
Stratford Community School District Annual Financial Report

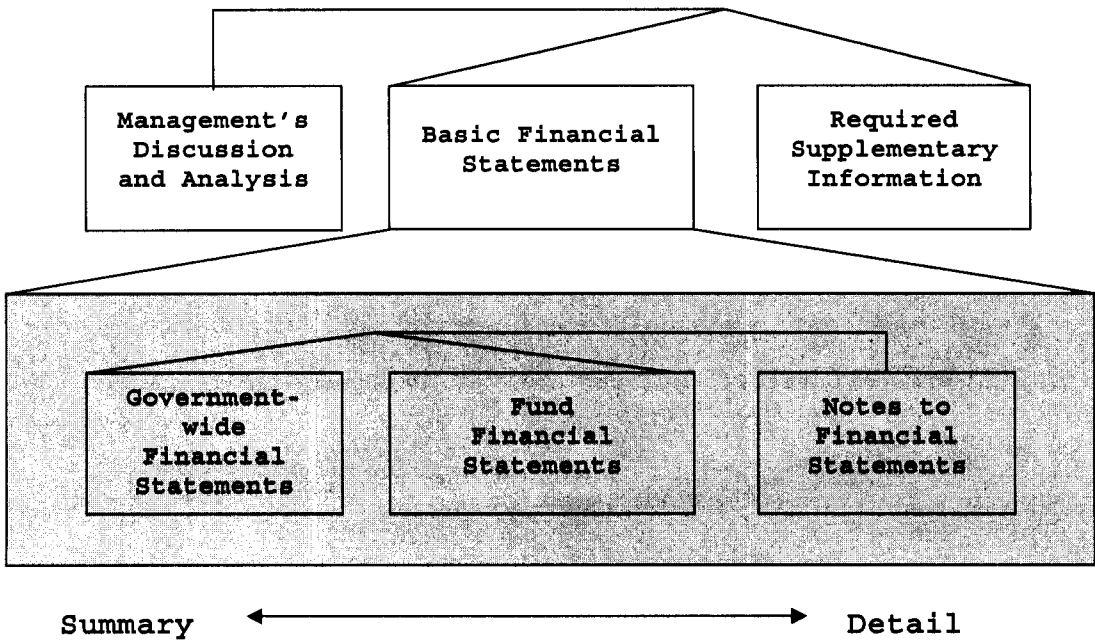


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and day care
Required financial statements	<ul style="list-style-type: none"> . Statement of net assets . Statement of activities 	<ul style="list-style-type: none"> . Balance sheet . Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> . Statement of net assets . Statement of revenues, expenses and changes in fund net assets . Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has elected to present all funds as "major" funds for clarity of presentation.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Day Care Fund.

The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses, changes in net assets and a statement of cash flows.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets - Figure A-3 below provides a summary of the District's net assets at June 30, 2010 compared to June 30, 2009.

Figure A-3 Condensed Statement of Net Assets (Expressed in Thousands)							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Current assets	\$ 2,487	2,488	115	136	2,602	2,624	-0.85%
Capital assets	1,671	1,551	2	2	1,673	1,553	7.17%
Total assets	4,158	4,039	117	138	4,275	4,177	2.29%
Current liabilities	1,171	1,052	-	1	1,171	1,053	10.08%
Non-current liabilities	737	825	-	-	737	825	-11.94%
Total liabilities	1,908	1,877	-	1	1,908	1,878	1.57%
Net Assets							
Invested in capital assets, net of related debt	941	726	2	2	943	728	22.80%
Restricted	645	651	-	-	645	651	-0.93%
Unrestricted	664	785	115	135	779	920	-18.10%
Total net assets	\$ 2,250	2,162	117	137	2,367	2,299	2.87%

Total net assets increased by 3%. A large number of fixed asset items were purchased in FY10 using current resources but which will be depreciated out over a period of years in the Statement of Net Assets and Statement of Activities.

Unrestricted assets dropped 18% primarily due to the largest midyear state aid cut in history. The District lost approximately \$100,000, forcing it to dip into reserves to maintain programs at expected levels.

Figure A-4 shows the changes in net assets for the year ended June 30, 2010 compared to the year ended June 30, 2009.

Figure A-4
Changes in Net Assets
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total School District		Total Change
	2010	2009	2010	2009	2010	2009	2009-2010
Revenues:							
Program revenues:							
Charges for service and sales	\$ 47	95	126	125	173	220	-21.36%
Operating grants, contributions and restricted interest	465	410	52	63	517	473	9.30%
General revenues:							
Property tax	897	862	-	-	897	862	4.06%
Income surtax	90	60	-	-	90	60	50.00%
Statewide sales, service and use tax	123	145	-	-	123	145	-15.17%
Unrestricted state grants	644	800	-	-	644	800	-19.50%
Unrestricted investment earnings	11	10	-	-	11	10	10.00%
Other	7	13	-	-	7	13	-46.15%
Total revenues	<u>2,284</u>	<u>2,395</u>	<u>178</u>	<u>188</u>	<u>2,462</u>	<u>2,583</u>	<u>-4.68%</u>
Program expenses:							
Governmental activities:							
Instruction	1,450	1,473	-	-	1,450	1,473	-1.56%
Support Services	533	525	-	-	533	525	1.52%
Non-instructional programs	15	10	198	184	213	194	9.79%
Other expenses	199	182	-	-	199	182	9.34%
Total expenses	<u>2,197</u>	<u>2,190</u>	<u>198</u>	<u>184</u>	<u>2,395</u>	<u>2,374</u>	<u>0.88%</u>
Change in net assets	<u>\$ 87</u>	<u>205</u>	<u>(20)</u>	<u>4</u>	<u>67</u>	<u>209</u>	<u>-67.94%</u>

Property tax and unrestricted state grants account for 63% of the total revenue. The District's expenses primarily relate to instruction and support services which account for 83% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$2,283,310 and expenses were \$2,196,284 for the year ended June 30, 2010.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ending June 30, 2010 compared to the year ending June 30, 2009.

Figure A-5
Total and Net Cost of Governmental Activities
(Expressed in Thousands)

	Total Cost of Services			Net Cost of Services		
	2010	2009	Change 2009-2010	2010	2009	Change 2009-2010
Instruction	\$ 1,450	\$ 1,473	-1.56%	1,033	1,065	-3.00%
Support services	533	525	1.52%	525	522	0.57%
Non-instructional programs	15	10	50.00%	15	10	50.00%
Other expenses	199	182	9.34%	111	88	26.14%
Totals	\$ 2,197	2,190	0.32%	1,684	1,685	-0.06%

For the year ended June 30, 2010:

- The cost financed by users of the District's programs was \$46,806.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$356,165.
- The net cost of governmental activities was financed with \$897,551 in property tax and 644,235 in state foundation aid.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2010 were \$177,794 and expenses totaled \$197,977. The District's business type activities include the School Nutrition and Day Care Funds. Revenues of these activities were comprised of charges for services, federal and state reimbursements, private contributions and investment income.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As previously noted Stratford Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$1,243,873, a ten percent decrease from last year's ending fund balances of \$1,373,873. Purchases of \$200,000 of smart boards and playground equipment, in addition to the state aid cut, were the primary factors in the decrease.

Governmental Fund Highlights

- The District attempted to maintain its General Fund balance by monitoring expenses from all portions of budget. Expenses decreased by over \$30,000, but unexpected state aid cuts caused the General Fund to decrease by \$123,000.
- The District continues to collect the statewide sales, services and use taxes. It is being used for infrastructure projects and property tax relief.

Proprietary Fund Highlights

The School Nutrition Fund balance declined despite a capital infusion from the General Fund. The Day Care Fund decreased by almost \$20,000. Additional funding sources are being sought.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison on pages 33 and 34.

Legal Budgetary Highlights

The District's receipts were over \$380,000 less than budgeted receipts, a variance of 14%. The variance resulted from the District receiving less in state and local taxes than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

The District did exceed the published budget in the instruction function by \$28,000 (less than 2%). The District did not exceed its unspent authorized budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the District had invested over \$1.6 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 8% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$87,851.

The original cost of the District's capital assets was \$2,631,701. Governmental funds account for \$2,622,724, with the remainder of \$8,977 accounted for in the Proprietary, School Nutrition Fund.

Figure A-6
Capital Assets, net of Depreciation
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Land	\$ 5	5	-	-	5	5	0.00%
Buildings	1,411	1,446	-	-	1,411	1,446	-2.42%
Furniture and equipment	255	100	2	2	257	102	151.96%
Totals	<u>\$ 1,671</u>	<u>1,551</u>	<u>2</u>	<u>2</u>	<u>1,673</u>	<u>1,553</u>	<u>7.73%</u>

Long-Term Debt

At June 30, 2010, the District had \$730,000 in general obligation, long-term debt outstanding. This represents a decrease of approximately 12% from last year (See Figure A-7). In 2008, the District refinanced its outstanding debt resulting in over \$9,000 in savings to the District. Additional information about the District's long-term debt is presented in Note 7 to the financial statements.

Figure A-7
Outstanding Long-Term Obligations
(Expressed in Thousands)

	Total District		Total Change
	June 30,		June 30,
	2010	2009	2009-2010
General obligation bonds	\$ 730	825	-11.52%
Total	\$ 730	825	-11.52%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- Sales tax is now being collected as part of the statewide sales, services and use tax. This money is being used for infrastructure projects and property tax relief.
- Allowable growth of 2% (or less) is inadequate to fund existing programs without dipping into existing reserves.
- State aid cuts, not covered by federal stimulus funds, will cause the District to continue to tap into existing reserves.
- Iowa law requires that unsettled salary negotiations for teachers go to mandatory arbitration. Invariably arbitrated settlements are higher than current levels of allowable growth in funding (not including the budget cuts after the contracts have been settled and people have been hired).
- Health insurance continues to be a very costly item to the District. Even though concessions have been made by employees in regard to deductibles, and coinsurance, other solutions need to be found. The skyrocketing cost of health care and the insurance to cover the cost will soon be unattainable by many.
- Unfunded mandates are stretching the limits of not only the financial health of the District, but also the human resources aspect of the District. "No Child Left Behind", "Student Achievement and Teacher Quality Act", and "GASB 34", to name a few.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sarah Binder, Superintendent, Stratford Community School District, 1000 Shakespeare Ave, Stratford, IA 50249.

Basic Financial Statements

STRATFORD COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2010

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 1,379,798	106,286	1,486,084
Receivables:			
Property tax			
Current year	12,284	-	12,284
Succeeding year	985,600	-	985,600
Income surtax	73,398	-	73,398
Due from other governments	35,587	7,500	43,087
Inventories	-	1,526	1,526
Capital assets, net of accumulated depreciation	1,671,288	1,644	1,672,932
Total assets	<u>4,157,955</u>	<u>116,956</u>	<u>4,274,911</u>
Liabilities			
Accounts payable	73,229	15	73,244
Accrued payroll and benefits	110,567	-	110,567
Accrued interest payable	1,993	-	1,993
Deferred revenue:			
Succeeding year property tax	985,600	-	985,600
Long term liabilities:			
Portion due within one year:			
General obligation bonds	95,000	-	95,000
Portion due after one year:			
Net OPEB liability	7,000	-	7,000
General obligation bonds	635,000	-	635,000
Total liabilities	<u>1,908,389</u>	<u>15</u>	<u>1,908,404</u>
Net Assets			
Invested in capital assets, net of related debt	941,288	1,644	942,932
Restricted for:			
Management fund	126,531		126,531
Physical plant and equipment levy	144,705	-	144,705
Capital projects	367,290	-	367,290
Debt service	2,532	-	2,532
Categorical funding	3,695	-	3,695
Unrestricted	663,525	115,297	778,822
Total net assets	<u>\$ 2,249,566</u>	<u>116,941</u>	<u>2,366,507</u>

See notes to financial statements.

Statement of Activities

Year ended June 30, 2010

	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction	\$1,449,802	46,806	369,925	(1,033,071)	-	(1,033,071)
Support services:						
Student services	3,238	-	-	(3,238)	-	(3,238)
Instructional staff services	31,979	-	-	(31,979)	-	(31,979)
Administration services	215,834	-	-	(215,834)	-	(215,834)
Operation and maintenance of plant services	157,773	-	7,610	(150,163)	-	(150,163)
Transportation services	123,798	-	-	(123,798)	-	(123,798)
	532,622	-	7,610	(525,012)	-	(525,012)
Non-instructional programs	15,000	-	-	(15,000)	-	(15,000)
Other expenditures:						
Facilities acquisition	21,837	-	-	(21,837)	-	(21,837)
Interest on long-term debt	26,133	-	75	(26,058)	-	(26,058)
Long-term debt services	400	-	-	(400)	-	(400)
AEA flowthrough	87,408	-	87,408	-	-	-
Depreciation (unallocated)*	63,082	-	-	(63,082)	-	(63,082)
	198,860	-	87,483	(111,377)	-	(111,377)
Total governmental activities	2,196,284	46,806	465,018	(1,684,460)	-	(1,684,460)

STRATFORD COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2010

	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets	
	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities
Expenses				Total
Business type activities:				
Non-instructional programs	197,977	125,914	51,880	(20,183)
			-	(20,183)
Total	\$2,394,261	172,720	516,898	(1,704,643)
			(1,684,460)	(20,183)
				(1,704,643)
General Revenues:				
Property tax levied for:				
General purposes			\$ 632,740	-
Management Fund			84,677	-
Capital outlay			59,260	-
Debt service			120,874	-
Income surtax			89,735	-
Statewide sales, services and use tax			122,625	-
Unrestricted state grants			644,235	-
Unrestricted investment earnings			10,721	-
Other			6,619	-
Total general revenues			1,771,486	-
Change in net assets			87,026	(20,183)
Net assets beginning of year			2,162,540	137,124
Net assets end of year			\$ 2,249,566	116,941
				2,366,507

* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2010

Assets

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Debt Service	Total
Cash and pooled investments	\$ 760,453	5,293	125,372	143,894	341,915	2,871	1,379,798
Receivables:							
Property tax:							
Current year	8,660	-	1,159	811	-	1,654	12,284
Succeeding year	712,211	-	85,000	63,476	-	124,913	985,600
Income surtax	73,398	-	-	-	-	-	73,398
Due from other governments	10,212	-	-	-	25,375	-	35,587
Total assets	\$ 1,564,934	5,293	211,531	208,181	367,290	129,438	2,486,667

Liabilities and Fund Balances

Liabilities:							
Accounts payable	73,229	-	-	-	-	-	73,229
Accrued payroll and benefits	110,567	-	-	-	-	-	110,567
Deferred revenue:							
Succeeding year property tax	712,211	-	85,000	63,476	-	124,913	985,600
Succeeding year income surtax	73,398	-	-	-	-	-	73,398
Total liabilities	969,405	-	85,000	63,476	-	124,913	1,242,794
Fund balances:							
Reserved for:							
Debt service	-	-	-	-	-	4,525	4,525
Categorical funding	3,695	-	-	-	-	-	3,695
Unreserved, reported in:							
Capital projects	-	-	-	-	367,290	-	367,290
Special revenue funds	-	5,293	126,531	144,705	-	-	276,529
General fund	591,834	-	-	-	-	-	591,834
Total fund balances	595,529	5,293	126,531	144,705	367,290	4,525	1,243,873
Total liabilities and fund balance	\$ 1,564,934	5,293	211,531	208,181	367,290	129,438	2,486,667

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets

June 30, 2010

Total fund balances of governmental funds (Exhibit C)		\$ 1,243,873
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>		
Income surtax receivable at June 30, 2010 is not recognized as income until received in the governmental funds, however it is shown as a receivable in the Statement of Net Assets.		73,398
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		1,671,288
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(1,993)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Other postemployment benefits	(7,000)	
General obligation bonds	<u>(730,000)</u>	<u>(737,000)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 2,249,566</u>

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund Types

Year ended June 30, 2010

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Debt Service	Total
Revenues:							
Local sources:							
Local tax	\$ 713,695	-	84,677	59,260	122,626	120,874	1,101,132
Tuition	46,806	-	-	-	-	-	46,806
Other	21,978	9,286	4,611	2,909	-	-	38,784
State sources	884,051	-	53	37	-	75	884,216
Federal sources	203,592	-	-	-	-	-	203,592
Total revenues	1,870,122	9,286	89,341	62,206	122,626	120,949	2,274,530
Expenditures:							
Instruction	1,433,770	9,032	-	-	-	-	1,442,802
Support services:							
Student services	3,238	-	-	-	-	-	3,238
Instructional staff services	31,152	-	-	83,697	-	-	114,849
Administration services	194,304	-	21,530	-	-	-	215,834
Operation and maintenance of plant services	132,594	-	34,056	-	-	-	166,650
Transportation services	95,972	-	3,805	15,725	-	-	115,502
	457,260	-	59,391	99,422	-	-	616,073
Non-instructional programs:							
Food service operations	15,000	-	-	-	-	-	15,000

STRATFORD COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund Types

Year ended June 30, 2010

	General	Student Activity	Management Levy	Physical Plant and Equipment Levy	Capital Projects	Debt Service	Total
Other expenditures:							
Facilities acquisition and construction services	-	-	-	-	121,422	-	121,422
Principal on long-term debt	-	-	-	-	-	95,000	95,000
Interest on long-term debt	-	-	-	-	-	26,335	26,335
Long-term debt services	-	-	-	-	-	400	400
AEA flowthrough	87,408	-	-	-	-	-	87,408
	<u>87,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,422</u>	<u>121,735</u>	<u>330,565</u>
Total expenditures	<u>1,993,438</u>	<u>9,032</u>	<u>59,391</u>	<u>99,422</u>	<u>121,422</u>	<u>121,735</u>	<u>2,404,440</u>
Net change in fund balances	(123,316)	254	29,950	(37,216)	1,204	(786)	(129,910)
Fund balances beginning of year	<u>718,845</u>	<u>5,039</u>	<u>96,581</u>	<u>181,921</u>	<u>366,086</u>	<u>5,311</u>	<u>1,373,783</u>
Fund balances end of year	<u>\$ 595,529</u>	<u>5,293</u>	<u>126,531</u>	<u>144,705</u>	<u>367,290</u>	<u>4,525</u>	<u>1,243,873</u>

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities

Year ended June 30, 2010

Net change in fund balances - total governmental funds (Exhibit E) \$ (129,910)

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the statement of activities. This figure represents the change from FY09 to FY10.

8,780

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 207,057	
Depreciation expense	<u>(87,103)</u>	119,954

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

95,000

Other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(7,000)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is reported as an expenditure in the funds when due. In the Statement of Activities, interest expense is recorded as the interest accrues, regardless of when it is due.

202

Change in net assets of governmental activities (Exhibit B)

\$ 87,026

STRATFORD COMMUNITY SCHOOL DISTRICT

Combining Statement of Net Assets
Proprietary Funds

June 30, 2010

	<u>School Nutrition</u>	<u>Day Care</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 9,152	97,134	106,286
Due from other governments	-	7,500	7,500
Inventories	1,526	-	1,526
Capital assets, net of accumulated depreciation	<u>1,644</u>	<u>-</u>	<u>1,644</u>
Total assets	<u>12,322</u>	<u>104,634</u>	<u>116,956</u>
Liabilities			
Accounts payable	<u>15</u>	<u>-</u>	<u>15</u>
Net Assets			
Invested in capital assets	1,644	-	1,644
Unrestricted	<u>10,663</u>	<u>104,634</u>	<u>115,297</u>
Total net assets	<u>\$ 12,307</u>	<u>104,634</u>	<u>116,941</u>

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds

Year ended June 30, 2010

	School Nutrition	Day Care	Total
Operating revenue:			
Local sources:			
Charges for services	\$ 28,720	97,194	125,914
Operating expenses:			
Non-instructional programs:			
Food service operations:			
Salaries	23,417	-	23,417
Benefits	10,419	-	10,419
Services	75	-	75
Supplies	29,895	-	29,895
Depreciation	748	-	748
	64,554	-	64,554
Other enterprise operations:			
Salaries	-	106,047	106,047
Benefits	-	17,653	17,653
Supplies	-	9,723	9,723
	-	133,423	133,423
Total operating expenses	64,554	133,423	197,977
Operating (loss)	(35,834)	(36,229)	(72,063)
Non-operating revenues:			
Local sources	-	16,575	16,575
Capital contributions	15,000	-	15,000
State sources	429	-	429
Federal sources	19,876	-	19,876
	35,305	16,575	51,880
Change in fund net assets	(529)	(19,654)	(20,183)
Net assets beginning of year	12,836	124,288	137,124
Net assets end of year	\$ 12,307	104,634	116,941

See notes to financial statements.

STRATFORD COMMUNITY SCHOOL DISTRICT

Combining Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2010

	<u>School Nutrition</u>	<u>Day Care</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from sale of services	\$ 28,720	89,694	118,414
Cash payments to employees for services	(33,836)	(123,700)	(157,536)
Cash payments to suppliers for goods or services	(22,709)	(11,062)	(33,771)
Net cash (used by) operating activities	<u>(27,825)</u>	<u>(45,068)</u>	<u>(72,893)</u>
Cash flows from non-capital financing activities:			
Contributions	-	15,395	15,395
State grants received	429	-	429
Federal grants received	12,630	-	12,630
Net cash provided by non-capital financing activities	<u>13,059</u>	<u>15,395</u>	<u>28,454</u>
Cash flows from capital financing activities:			
Capital contribution from General Fund	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Cash flows from investing activities:			
Interest on investments	<u>-</u>	<u>1,180</u>	<u>1,180</u>
Net increase in cash and cash equivalents	234	(28,493)	(28,259)
Cash and cash equivalents beginning of year	<u>8,918</u>	<u>125,627</u>	<u>134,545</u>
Cash and cash equivalents end of year	<u>\$ 9,152</u>	<u>97,134</u>	<u>106,286</u>
Reconciliation of operating (loss) to net cash (used by) operating activities:			
Operating (loss)	\$ (35,834)	(36,229)	(72,063)
Adjustments to reconcile operating (loss) to net cash (used by) operating activities:			
Depreciation	748	-	748
Commodities used	7,246	-	7,246
(Increase) in receivables	-	(7,500)	(7,500)
Increase (decrease) in accounts payable	15	(1,339)	(1,324)
	<u>\$ (27,825)</u>	<u>\$ (45,068)</u>	<u>\$ (72,893)</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$7,246.

STRATFORD COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

Stratford Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Stratford, Iowa, and agricultural area in Boone, Hamilton, and Webster Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis. Grades seven through twelve attend the Webster City Community School District as part of a one-way sharing agreement.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Stratford Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. Stratford Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Hamilton County Assessor's Conference Board.

B. Basis of Presentation

Government-wide financial statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has elected to present all funds as major funds for clarity of presentation.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Debt Service Fund is used to account for the payment of interest and principal on the District's long-term debt.

The Management Levy Fund is utilized for the payment of insurance, unemployment and early retirement benefits.

The Student Activity Fund is used to account for extra curricular activities conducted on behalf of the students.

The Physical Plant and Equipment Levy is used for the acquisition of capital assets (over \$500) and the maintenance and purchase of land improvements and facilities.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary funds:

The District's proprietary funds are the Day Care and School Nutrition Fund. These funds are used to account for the food service operations of the District as well as a daycare facility.

C. Measurement Focus and Basis of Accounting

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The proprietary funds of the District applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Balance

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year become effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2009.

Due from Other Governments - Due from other governments represents amounts from the State of Iowa, various shared revenue, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	10,000
Other furniture and equipment	10,000

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulated a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability is deemed to be immaterial at June 30, 2010.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2010, expenditures exceeded the amount budgeted in the instruction function. The District did not exceed the General Fund unspent authorized budget.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had no investments at June 30, 2010.

(3) **Capital Assets**

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	-	-	5,000
Capital assets being depreciated:				
Buildings	2,159,739	-	-	2,159,739
Furniture and Equipment	273,490	207,057	22,562	457,985
Total capital assets being depreciated	2,433,229	207,057	22,562	2,617,724
Less accumulated depreciation for:				
Buildings	713,649	35,382	-	749,031
Furniture and Equipment	173,246	51,721	22,562	202,405
Total accumulated depreciation	886,895	87,103	22,562	951,436
Total capital assets being depreciated, net	1,546,334	119,954	-	1,666,288
Governmental activities, capital assets, net	\$ 1,551,334	119,954	-	1,671,288
Business type activities:				
Furniture and equipment	\$ 8,977	-	-	8,977
Less accumulated depreciation	6,585	748	-	7,333
Business type activities capital assets, net	\$ 2,392	(748)	-	1,644
Depreciation expense was charged to the following functions:				
Governmental activities:				
Support services:				
Transportation				\$ 24,021
Unallocated				63,082
				\$ 87,103
Business Type activities:				
Food service operations				\$ 748

(4) **Pension and Retirement Benefits**

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their annual salary and the District is required to contribute 6.65% of annual covered salary. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009, and 2008 were \$64,186, \$67,400, and \$58,606 respectively, equal to the required contributions for each year.

(5) **Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$87,408 for year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(6) **Risk Management**

Stratford Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(7) **Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended June 30, 2010 is as follows:

	<u>Balance Beginning Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Net OPEB Liability	\$ -	7,000	-	7,000
General Obligation Bond	<u>825,000</u>	<u>-</u>	<u>95,000</u>	<u>730,000</u>
Total	<u>\$825,000</u>	<u>7,000</u>	<u>95,000</u>	<u>737,000</u>

Details of the District's June 30, 2010 general obligation bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rates</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2011	2.75%	\$ 23,913	95,000	118,913
2012	2.95	21,300	100,000	121,300
2013	3.10	18,350	100,000	118,350
2014	3.25	15,250	105,000	120,250
2015	3.45	11,837	105,000	116,837
2016	3.60	8,215	110,000	118,215
2017	3.70	<u>4,255</u>	<u>115,000</u>	<u>119,255</u>
Total		<u>\$103,120</u>	<u>730,000</u>	<u>833,120</u>

During the year ending June 30, 2008 the District refinanced its outstanding general obligation bonds. All outstanding debt was called on June 1, 2008 and retired. Total savings of \$9,213 are being realized as interest expense savings offset the additional debt principal issued and costs of issuance.

(8) **Other Postemployment Benefits (OPEB)**

Plan Description - The District operates a single-employer retiree benefit plan which provides medical benefits for retirees and their spouses. There are 16 active and 1 retired member in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which result in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefits plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$13,000
Interest on net OPEB Obligation	-
Adjustment to annual required contribution	-
Annual OPEB Cost	13,000
Contributions made	(6,000)
Increase in net OPEB obligation	7,000
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	\$ 7,000

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

The year ended June 30, 2010, the District contributed \$6,000 to the medial plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$7,000	46.2%	\$7,000

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$105,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$105,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$996,000 and the ratio of the UAAL to covered payroll was 10.5%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from district date history.

Projected claim costs of the medical plan are \$1,130 per month for retirees less than age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Required Supplementary Information

STRATFORD COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Fund
Required Supplementary Information

Year ended June 30, 2010

	Governmental Fund Types	Proprietary Fund Types	Total	Budgeted Amounts	Final to Actual Variance
	Actual	Actual	Actual	Original	Final
Revenues:					
Local sources	\$ 1,186,722	157,489	1,344,211	1,368,520	(24,309)
State sources	884,216	429	884,645	1,329,113	(444,468)
Federal sources	203,592	19,876	223,468	135,000	88,468
Total revenues	<u>2,274,530</u>	<u>177,794</u>	<u>2,452,324</u>	<u>2,832,633</u>	<u>(380,309)</u>
Expenditures/Expenses:					
Instruction	1,442,802	-	1,442,802	1,415,062	(27,740)
Support services	616,073	-	616,073	2,305,327	1,689,254
Non-instructional programs	15,000	197,977	212,977	415,398	202,421
Other expenditures	330,565	-	330,565	570,591	240,026
Total expenditures/expenses	<u>2,404,440</u>	<u>197,977</u>	<u>2,602,417</u>	<u>4,706,378</u>	<u>2,103,961</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(129,910)	(20,183)	(150,093)	(1,873,745)	1,723,652
Other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	(129,910)	(20,183)	(150,093)	(1,873,745)	1,723,652
Balance beginning of year	1,373,783	137,124	1,510,907	1,876,084	(365,177)
Balance end of year	<u>\$ 1,243,873</u>	<u>116,941</u>	<u>1,360,814</u>	<u>2,339</u>	<u>1,358,475</u>

STRATFORD COMMUNITY SCHOOL DISTRICT

Note to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2010

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2010, expenditures exceeded the amount budgeted in the instruction function. The District did not exceed the General Fund unspent authorized budget.

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	Jul 1, 2009	\$0	\$105	\$105	0.0%	\$996	10.5%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

Other Supplementary Information

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Book Club	\$ 541	2,138	1,489	1,190
Annuals	2,138	-	2,138	-
Miscellaneous	(98)	6,539	4,035	2,406
Music	(305)	322	544	(527)
PO	110	-	110	-
Library	716	-	716	-
Extra activities	1,937	287	-	2,224
Totals	<u>\$ 5,039</u>	<u>9,286</u>	<u>9,032</u>	<u>5,293</u>

See accompanying independent auditor's report.

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Seven Years

	Modified Accrual Basis						
	2010	2009	2008	2007	2006	2005	2004
Revenues:							
Local sources:							
Local tax	\$ 1,101,132	\$ 1,081,485	980,073	937,818	936,353	843,902	826,900
Tuition	46,806	94,377	106,675	122,493	90,181	45,413	50,833
Other	38,784	51,100	61,390	58,544	244,763	66,143	35,060
State sources	884,216	1,076,069	1,202,815	1,074,155	1,071,636	964,485	804,756
Federal sources	203,592	105,830	69,361	59,728	70,315	49,073	52,880
Total	\$ 2,274,530	\$ 2,408,861	2,420,314	2,252,738	2,413,248	1,969,016	1,770,429
Expenditures:							
Instruction	\$ 1,442,802	\$ 1,472,780	1,416,576	1,387,086	1,291,538	1,204,437	1,004,085
Support services:							
Student	3,238	1,805	2,085	1,542	7,739	7,239	8,171
Instructional staff	114,849	36,914	20,126	11,363	9,074	13,239	10,871
Administration	215,834	181,804	179,298	172,388	160,063	147,002	185,224
Operation and maintenance of plant	166,650	163,288	159,097	150,189	160,882	146,667	126,804
Transportation	115,502	131,187	120,060	253,574	123,764	107,691	88,935
Non-instructional programs	15,000	10,000	20,000	20,000	10,000	20,875	2,205
Other expenditures:							
Facilities acquisition	121,422	55,515	63,542	98,578	252,857	174,086	19,481
Debt service:							
Principal	95,000	90,000	95,000	75,000	70,000	65,000	65,000
Interest and services	26,735	28,940	45,985	49,630	53,980	57,580	61,480
AEA flowthrough	87,408	81,015	80,743	75,959	73,288	65,464	61,314
Total	\$ 2,404,440	\$ 2,253,248	2,202,512	2,295,309	2,213,185	2,009,280	1,633,570

See accompanying independent auditor's report.

BRUCE D. FRINK

Certified Public Accountant

Member:

- American Institute of Certified Public Accountants
- Iowa Society of Certified Public Accountants

Services:

- Individual, Partnership and Corporate Tax Preparation
- Year Round Tax Planning
- Electronic Filing
- Payroll & Sales Tax Preparation
- I.R.S. Representation
- Monthly/Quarterly Write-Up
- Data Processing Services
- Payroll Preparation
- Computerized Financial Statements
- Bank Loan Assistance

Plus:

- Over 30 years of Expertise and Experience
- Evenings & Saturdays Available by Appointment
- Extended Hours During Tax Season

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

To the Board of Education of the
Stratford Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Stratford Community School District as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 17, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Stratford Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Stratford Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Stratford Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings as items I-A-10 and I-B-10 to be material weaknesses.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified no items which we consider to be significant deficiencies.

Compliance and Other Matters

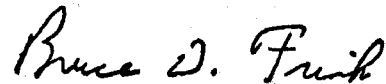
As part of obtaining reasonable assurance about whether Stratford Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Stratford Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit Stratford Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Stratford Community School District and other parties to whom Stratford Community School District may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Stratford Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



BRUCE D. FRINK
Certified Public Accountant

February 17, 2011

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES

I-A-10 SEGREGATION OF DUTIES

Comment - During our review of the internal control structure, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the District's financial statements. We noted that one individual has custody of receipts and performs all record-keeping and reconciling functions for the office.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response - We will review procedures and investigate available alternatives.

Conclusion - Response accepted.

I-B-10 Auditor Drafting of the Financial Statements and Related Footnote Disclosures

Comment - As in prior years, we were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. SAS 115, an auditing standard from the American Institute of Certified Public Accountants, requires auditors to communicate this situation as an internal control deficiency. Ultimately, it is management's responsibility to provide for the preparation of the District's statements and footnotes, and the responsibility of the auditor to determine the fairness of the presentation of those statements. From a practical standpoint we do both for you at the same time in connection with our audit. This is not unusual for us to do this with organizations of your size. However, based on this auditing standard, it is our responsibility to inform you that this deficiency could result in a misstatement to the financial statements that could have been prevented or detected by the District's management. As in prior years, we have instructed management to review a draft of the auditor prepared financial statements in detail for their accuracy, we have answered any questions they might have, and encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification and disclosure in your financial statements. We are satisfied that the appropriate steps have been taken to provide you with the completed financial statements.

Recommendation - It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response - We feel our review of the draft financials is adequate for us to accept this risk.

Conclusion - Response accepted.

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

Part II: Other Findings Related to Required Statutory Reporting:

II-A-10 Certified Budget - Expenditures for the year ended June 30, 2010, exceeded the amount budgeted in the instruction function. The District did not exceed its unspent authorized budget for the year ended June 30, 2010.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

II-B-10 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

II-C-10 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-10 Business Transactions - No business transactions between the District and District officials or were noted.

II-E-10 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

II-F-10 Board Minutes - No items requiring Board approval which had not been approved by the Board were noted.

II-G-10 Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.

II-H-10 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-I-10 Certified Enrollment - The number of basic resident students reported to the Iowa Department of Education on line 3 of the Certified Enrollment Certification Form of October 2009 was understated. The District's certified enrollment count should have included 1 additional student on line 3. This resulted in understating the total actual enrollment at line 3 by 1 student.

Recommendation - The District should contact the Iowa Department of Education and the Department of Management to resolve this matter.

Response - We will contact Iowa Department of Education and the Department of Management.

Conclusion - Response accepted.

STRATFORD COMMUNITY SCHOOL DISTRICT

Schedule of Findings

Year ended June 30, 2010

Part II: Other Findings Related to Required Statutory Reporting:
(continued)

- IV-J-10 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- II-K-10 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- II-L-10 Statewide sales, services and use tax - No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales, services and use tax are as follows:

Beginning balance	\$ -
Statewide sales, services and use tax revenue	122,626
Expenditures/transfers out:	
School infrastructure:	
Building improvements	<u>121,422</u>
Ending balance	<u>\$ 1,204</u>

The statewide sales, services and use tax revenue received during the year ended June 30, 2010 is equivalent to a reduction in the following levies:

	Per \$1,000 Of Taxable Valuation	Property Tax Dollars
Physical Plant and Equipment Levy	\$1.00	\$ 63,476
General Fund	<u>.93</u>	<u>59,150</u>
Total	<u>\$1.93</u>	<u>\$122,626</u>